

ILRI

INTERNATIONAL  
LIVESTOCK RESEARCH  
INSTITUTE

INTERNAL AUDIT

# Report on an Audit of the Management of Research Partnerships at ILRI

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**Transmittal memo**

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ILRI: FY-2014-05, Audit of Management of Research Partnerships at ILRI  
May/June, 2014  
Confidential-For ILRI use only -

22 Aug. 2014

Dr Jimmy Smith,  
The Director General ILRI,

## **Report on an Audit of Management of Research Partnerships at ILRI**

An audit of Management of Research Partnerships at ILRI has been completed as part of the approved 2014 Internal Audit work plan.

We have assessed the existing and potential risks that impact on the achievement of the objectives in the Research partnerships management processes and appraised the adequacy and effectiveness of the internal controls or other strategies put in place by management to address the risks. We have also evaluated the appropriateness of the existing procedures in discharging the functions expected and compliance to established standards of performance in the Research partnerships management processes.

The overall conclusion of the review is that the internal control and compliance systems in place are *partially satisfactory*. The conclusion was arrived on the basis that the related risks reviewed under the audit objectives are presently partially mitigated but not to a level considered reasonable by Internal Audit.

**A summary of the main audit findings and recommendations agreed by ILRI Internal Audit and relevant management staff are as follows:**

- *No records were available from the various ILRI programs that we reviewed to show whether or not partner due diligence was done prior to signing of partnership agreements. Partner due diligence should be carried out prior to signing of partner agreements and be duly documented as part of the recruitment process in line with the guidelines carried on the ILRI ILRI Partnership Strategy and Management system (PSMS) (Clause 4.4.2 and Annex 7.6) and as agreed at the 40<sup>th</sup> BoT meeting;*
- *Management should foster increased utilization of the forms, processes and procedures prescribed in the ILRI Partnership Strategy and Management system (PSMS) document in the respective ILRI research programs e.g. in partner recruitment, management of ongoing partnerships as it was observed that currently these tools are scarcely utilized. There is also need to update the strategy document so as to incorporate the unique needs of the CRPs and to ensure simplification and digitization of the tools stipulated. This will help to boost the application level;*
- *A repository of ILRI partnership information has not been established as indicated in the PSMS. Management should initiate the establishment of the ILRI Partnerships database and*

*designate the specific officer(s) to be responsible for maintaining the information therein up-to-date;*

- *Various errors and omissions were noted on the signed CRAs (Collaborative Research Agreements) e.g. in the CRA for Oromia Insurance Company the reporting requirements table is blank, and the CRA for UNE has repeated contents of clause 3.6 in clause 3.7, respectively. Ensure final review of the various partnership agreements so as to timely capture any errors, omissions and typos prior to signing of the agreements;*
- *There is no coordinated, documented global and program-level tracking of partner reports. Trip reports are also not available. The PMOs should maintain comprehensive, up to-date records of their tracking for the required partner reports as well as trip reports for visits done to the partner sites; and*
- *Some dormant partner accounts with pending balances had a total net receivable amounting to USD 397,931.80 as at 31<sup>st</sup> May 2014. Ensure prompt follow-up and provide management decision on these dormant partner accounts.*

Management has agreed on an action plan to address the areas identified for improvement, which is included in detailed findings and recommendations section of this report. We will follow up on the status of implementation of the action plan.

Finally, the Internal Audit Unit wishes to express its sincere appreciation to management and staff who have extended their support and cooperation during the audit.

Sincerely,

Peter Getugi  
Head, Internal Audit

Fredrick Gathogo  
Internal Auditor,

**Distribution:**

Shirley Tarawali, Assistant DG (and Director, Institutional Planning & Partnerships)  
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Martin Van Weerdenburg, Chief Operating Officer

## REPORT ON AN AUDIT OF MANAGEMENT OF RESEARCH PARTNERSHIPS AT ILRI

### Introduction

1. An audit of Management of Research Partnerships at ILRI has been completed as part of the Year 2014 approved Internal Audit Plan. The new ILRI Strategy (for period 2013-2022) captures the significance of partnerships to the Institute in these words; *“As a relatively small institute with a large global mandate, partnership remains the institute’s fundamental modus operandi. The new Strategic plan requires that the range of partners that ILRI works with is increased. Previously the focus was on generating research outputs, primarily through partnerships with national agricultural research systems, sub-regional organizations and advanced research institutions. This Strategy, which takes more responsibility for translating research outputs into outcomes and impacts, demands that ILRI reaches out to and engages with a broader range of partners, especially development organizations and the private sector”*
2. The audit was conducted by Fredrick Gathogo (ILRI Internal Auditor, Nairobi). Review and quality assurance was conducted by Peter Getugi (ILRI Head, Internal Audit).
3. The key objectives of the audit were:
  - assess research partnerships are developed and implemented in the context of an overall ILRI’s strategy for partnerships, part of or aligned with, the new ILRI Strategic Plan for the period 2013 to 2022;
  - ascertain ILRI’s policies and procedures with regard to the management of research partnerships are documented and readily available to staff;
  - ascertain that the research partnership agreements are reviewed and approved by authorized persons as identified in the ILRI’s official delegations of authority;
  - assess there is central tracking of all research partnerships, according to a consistent typology, to support analysis and reports of partnerships (global tracking e.g. of financial reports);
  - assess implementation of the management actions from the previous audit report; and
  - identify areas of improvement on the current ILRI Partnerships strategy document and its application.
4. The audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing*. The terms of the reference of the audit, which details the audit objectives, scope, methodology are set out in annex I. The audit



included a follow up of the recommendations from the last (December 2008) internal audit on this topic.

5. The audit was primarily guided by the CGIAR IAU Good Practice Notes on Research Partnerships. It's worthy to note that details of this good practice note are also carried under Annex II of this report.

## OVERALL CONCLUSIONS

6. The overall audit conclusions based on the audit ToR are as follows:

- *Control environment – Partially satisfactory*
- *Control activities – Partially satisfactory*
- *Monitoring – Partially satisfactory*
- *Information and communication – Partially satisfactory*
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7. While the level of awareness and application of the ILRI Partnership Strategy and Management System, 2008 is currently limited, the content in terms of research partnership management concepts, principles, tools and methodologies are still valid. The PSMS presents the essence of any partnership and this can be seen in that the current partnerships still have elements such as relationship management, use of the collaborative research agreements (CRAs) for specific project work, MOUs, partnership visioning exercises, and the variety of partnership categories – the language may be different but the underlying framework/concept has remained the same for research partnerships.

8. There is however need to update the PSMS to incorporate the unique aspects of CRP partnerships. For example under the CRPs some partners are regarded as 'full partners' who don't necessarily receive funding from ILRI/CGIAR but rather they source their own funds for project work that fulfils the CRP program obligations. Currently at the Livestock and fish CRP (CRP 3.7), two research partners – SLU and Wageningen University are being engaged as fully-fledged partners with same status as the CG partners involved in that CRP.

9. Risk ratings have been determined for each recommendation in this report by following ILRI's Risk Management Framework. The level of risk is based on the relationship between the likelihood (probability of the risk occurring) and the consequences (the potential impact of the risk). These have been defined as high, medium or low. To facilitate the implementation of the recommendations, they have been ranked based on priority for implementation. A detailed explanation of risk ratings and implementation priority is provided in Annex II. Details of the findings and recommendations are set out in the next section.

8. Pending prior audit recommendations:

No	Recommendation/Risk Level/Priority (Dec'2008 Internal Audit Report on Research Partnerships)	Management Comment	Responsible Unit / Target date	Current status (June 2014)	Management comments
1	ILRI should continue to implement the Partnership Strategy and Management System ("PSMS") and make it adequately available to staff. The Director of Partnerships and Communications and Deputy Director General - Research should advance the use of the PSMS' partnership management tools and methodologies. <b>Risk level: High, Priority<sup>1</sup>: High</b>	Implementation of PSMS to go on and to be reviewed in 2010, and also the updated PSMS to include Lessons Learnt from key concluded partnerships projects.	ADG / Director, Institutional Planning and Partnerships  <b>Target date;</b>  <b>To be initiated in 2010</b>	Implementation of tools and methodologies is inconsistent.  The PSMS was not reviewed as planned in year 2010.	<b>ADG;</b> The PSMS , 2008 might not be reflective of the reality of now working under CRPs and that partly explains the limited application  <b>Tom (CRP 3.7);</b> The partnership principles remain valid
2	Management should develop guidelines for contracting research partners. Standard terms and conditions should also be developed for use in partner contracts to minimize the risk associated with inconsistent arrangements and lack of important provisions in partner contracts.  <b>Risk level: Medium Priority: High</b>	Already incorporated in PSMS but agreed that the IP/Legal officer will document all deviations and reasons for deviations.	IP/Legal Counsel <b>Target date</b> on-going	Done; Contracts are drawn using standard templates from the legal unit	Done.  ILRI now uses a revised IP policy to match CGIAR IP requirements
3	ILRI needs to strengthen its background checks and due-diligence process	ILRI will conduct stricter background	ADG / Director, Institutional Planning and Partnerships		ADG;Processes for due-

No	Recommendation/Risk Level/Priority (Dec'2008 Internal Audit Report on Research Partnerships)	Management Comment	Responsible Unit / Target date	Current status (June 2014)	Management comments
	before signing new research partnership agreements to confirm/verify the correctness of the information provided by the partners and partners' background. <b>Risk level: High</b> <b>Priority: High</b>	checks for new partners especially those exceeding USD 200,000	and  IP/Legal Counsel <b>Target date</b> Dec 2010		diligence to be reviewed. PMOs to be involved more in the process through the proposal development process. Partner details to be part of preliminary documentation  <b>Tom;</b> Due diligence can be done but with due regard for respective partner sensitivities
4	The IP/Legal Officer should develop a checklist to assess the completeness of research partnership agreements and memoranda of understanding (i.e. inclusion of all important provisions in the partner contract) before they are signed by the DG. <b>Risk level: Medium,</b> <b>Priority: High</b>	Agreed, IP and Legal officer will review the MOUs and LOAs including templates and upload them to ILRINET. IP officer explained the templates provide the measuring stick/criteria.	IP/Legal Counsel  <b>Target date</b> Dec 2010	IP/Legal Counsel provides standard templates for use in contract preparation. They also review the contract prior to DG's signing	Done.
5	Templates for research partnership agreements and memoranda of understanding should be made adequately available to scientists and OPLs. We propose posting them on ILRINET.	Agreed; IP/Legal officer will upload the updated templates available immediately, PMOs should proactively assist the OPLs	IP/Legal Counsel /PMOs  <b>Target date</b> Immediately	Not seen on ILRINET but templates are in the custody of ILRI Legal Unit	Templates on Mahider. Practice notes per responsibility available for different units.

No	Recommendation/Risk Level/Priority (Dec'2008 Internal Audit Report on Research Partnerships)	Management Comment	Responsible Unit / Target date	Current status (June 2014)	Management comments
	<b>Risk level: low, Priority: Medium</b>	access the templates this being an administrative task			Contract templates shared with PMOs.
6	ILRI needs to develop research partners reporting framework within the project management process, and exceptions to the adherence of the partners reporting framework needs to be addressed on a case by case basis <b>Risk level: Medium, Priority: Medium</b>	Research reporting framework development is underway, and will be developed along with the Project Management process system, which was raised in the audit report on Project management in 2008.	ADG / Director, Institutional Planning and Partnerships  <b>Target date 2011</b>	Reporting is aligned to donor reporting	Donors drive reporting. Project management system to be developed and to include the requirements for reporting that ILRI expects from partners.
7	Partnership and Communication department through the Knowledge Management and Information Service Unit should develop and maintain a central knowledge management system/database. The central knowledge management system should store information on research agreements, research partners profile, research outputs, reports, and other vital partnership information. <b>Risk level: Medium, Priority: High</b>	This will be addressed by having the Project Management Information System in place. The system is dependent on when the CGIAR alignment process will be complete.	ADG / Director, Institutional Planning and Partnerships  Head of Knowledge Management and Information Services <b>Target date 2011</b>	In progress - discussions on creating the on-line repository	Head of ICT to present a proposal to ADG/ Management  Hard and softcopies of agreements and grants will be set up in a database and to be shared with management and relevant staff (IP/legal)  To work with ICRAF on the database.
8	The Institute should develop procedure whereby IP policies and	Agreed; Will be reviewed by 2010 and updated in every	ADG / IP /Legal Counsel	Done.	Revised in-line with consortium

No	Recommendation/Risk Level/Priority (Dec'2008 Internal Audit Report on Research Partnerships)	Management Comment	Responsible Unit / Target date	Current status (June 2014)	Management comments
	procedures are reviewed to ensure they remain current.  <b>Risk level: Medium, Priority: High</b>	4 to 5 years. IP officer will do the bulk of the work but this will also eventually need to go through a consultant.	<b>Target date</b> Dec 2010		office guidelines.
9	Risk analysis needs to be conducted for all areas of management of research partnership. The identified control procedures to mitigate existing risks should be implemented.  <b>Risk level: medium, Priority: High)</b>	Risk analysis for Partnership and Communication will be conducted as part of the institute wide risk management process and mitigations strategies worked generically	ADG / Director, Institutional Planning and Partnerships  <b>Target date</b> Continuous	Institute-wide – ERM implemented in October 2013	Risk analysis records to be updated e.g. overall risk S009.

## DETAILS OF FINDINGS AND RECOMMENDATIONS

### Good Practice

9. It is positive to note that ILRI has put in place a Partnerships Strategy and Management System (<http://mahider.ilri.org/handle/10568/566>) that provides relevant principles to guide ILRI's management of partnerships. The Partnership strategy and the centrality of partnerships in the success of ILRI's research work have also been prominently highlighted in the ILRI Strategic plan for the period 2013-2022. There's also a position in the management structure, *The Director Institutional Planning and Partnerships*, that has been charged with the overall responsibility for the management of partnerships in the Institute. Partnership management skills have also been carried in the job advertisements for staff positions that will involve managing partner relations in the Institute. Risk Assessment has also been done for ILRI research partnerships as part of the Institute-wide risk assessment of October 2013. This is currently being updated to incorporate input from the ILRI Board of Trustees meeting.

### Control Environment

#### Policies / procedures guiding the Management of Research Partnerships

10. ILRI's Management of Research Partnerships is guided by the Partnerships Strategy and Management System, 2008 (PSMS).

11. The internal audit opinion is that this Strategy document is a good and comprehensive resource in the management of research collaborations. While the level of awareness and application of the ILRI Partnership Strategy and Management System, 2008 is limited, the content in terms of research partnership management concepts, principles, tools and methodologies are still valid. In reality they are practiced in generic terms, but not in the specific forms stated in the PSMS, for instance there is partner relationship management, use of CRAs for specific project work, partnership visioning exercises, SWOT analysis done jointly, review meetings, workshops, partner site visits, variety of partnership categories – the language may be different or the particular records stipulated are not completed, but the underlying framework/concepts have remained the same for research partnerships.

12. The forms, processes and procedures prescribed in the PSMS were not being applied by the respective ILRI research programs e.g. partner due diligence/or risk assessment during the partner engagement process, management of ongoing partnerships and even in the systematic recording the partnership experiences for the Institute's internal information and donor reporting needs. A planned review and update of this document was planned to take place in the year 2010 but this has not been realized to-date.

12. The Institute Management committee, the Program leaders, Principal Investigators and the Program Management Officers running respective programs should demonstrate greater ownership of the PSMS by fostering increased application of the document's tools, methodologies and principles in their research activities. They also need to contribute to the continuous improvement of the strategy and management system document in order to keep it relevant to the changing needs and realities of ILRI's research environment e.g. the specific requirements for the CRPs.

Recommendation No. 1	Responsible Officer	Management Comments & Target Date
<p>The Institute Management committee, Program leaders, Principal Investigators and the Program Management Officers running respective programs need to demonstrate greater ownership of the PSMS by increasing their application of the document's tools, methodologies and principles in their research activities.</p> <p>They should also initiate continuous improvement on the ILRI PSMS.</p> <p><b>Risk Level - High</b> <b>Priority Ranking -1</b></p>	<p>ADG</p>	<p><b>ADG;</b> The CRP 3.7 has a draft Development partnerships strategy</p> <p><b>Tom;</b> The PSMS could be updated to incorporate the requirements of the CRPs</p>

## Control Activities

### Contents of the Partnership agreements

13. The partnership agreements, most notably the Collaborative Research Agreements (CRA's) have a standard format maintained by the ILRI legal unit (ILU) and this has been constantly updated in line with changing needs of the Institute/CGIAR. We observed that the contents of the CRAs adequately cover the scope of issues described in Annex 7.8 of the PSMS. The MOU's sampled in our audit show that their content adequately fits the expected scope per the guidance contained in the PSMS. We however observed areas in need of correction on some of the contracts;

- i. the CRA between ILRI & UNE; there is conflicting terminology on the reporting requirements shown on Article 2 and the content of clause 3.6 is repeated in clause 3.7 (project audits);



ii. the MOU document signed between ILRI and TNU, has a statement after clause 3.3.8 which states, 'Such agreements shall be expressed in English and shall only be effective and binding on the parties if signed by the duly authorised.' The statement appears incomplete;

iii. in the CRA between ILRI and Oromia Insurance Company, under Article 2.1 - reporting; the table is blank.

Recommendation No. 2	Responsible Officer	Management Comments & Target Date
Review these clauses for clarity and completeness and make the necessary amendments. Also ensure thorough final review of the agreements to timely capture such errors, omissions and typos prior to signing of the agreements  <b>Risk Level - Low</b> <b>Priority Ranking -2</b>	ADG	IP/Legal Counsel provides standard templates for use in contract preparation. They also review the contract prior to DG's signing

#### ILRI Partners Knowledge base

14. A database for ILRI partnerships, as envisaged in the PSMS, has not been maintained and neither the public nor the internal-ILRI version of this knowledge base is available on the ILRI websites. According to the PSMS document, this knowledge base is intended to provide information for among other needs, the future references sought within ILRI e.g. when considering establishment of new partnerships and also for external reporting needs wherever partnership information is required.

15. With the ILRI 'KMIS' unit now handling the overall ILRI information management, storage and retrieval needs in digital and other formats, the ADG (Director, IP &P) should initiate the establishment of the ILRI Partnerships database and designate the specific officer(s) to be responsible for maintaining the information therein up-to-date

Recommendation No. 3	Responsible Officer	Management Comments & Target Date



<p>Initiate the establishment of the ILRI Partnerships database as envisaged in the PSMS and designate the specific officer(s) to be responsible for maintaining the information therein up-to-date.</p> <p><b>Risk Level - Medium</b>  <b>Priority Ranking -2</b></p>	<p>ADG</p>	<p>M&amp;E reporting to be included in the partnership databases – PMOs to feed info on this (using metrics such as, timely reporting, quality of deliverables and types of reports from partners)</p> <p>BDU to work with Isaac and develop the project management system</p> <p>Tom; The database/repository should be established without making it a lengthy or complex project</p>
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### Recruitment of partners

16. From our discussions with the PMOs, some program leaders and the PIs, it emerged that the partner recruitment process is not conducted in line with the guidelines carried on the PSMS; the recruitments were exclusively done by the Principal Investigators and the Program Leaders involved with no records available to show the criteria employed in evaluating eligibility of respective potential partners and the eventual shortlisting done to arrive at the final choice. The paragraph 4.4.2 and Annex 7.6 of the PSMS describe in detail the financial and administrative issues to be covered in conducting partner due diligence. There was however no records available during this audit to show whether or not such due diligence was done for the respective partners appointed by the Institute.

17. In the 40<sup>th</sup> BoT meeting, the Board members reiterated the comments carried in the CGIAR Phase 1 Governance review that, 'each Centre shall commit to a more robust and formalized system of due diligence for reviews of partners'. The members further stressed that Partners' financial risk assessments should be done prior to signing of partnership contracts under the Bio-Innovate program

18. Formal due diligence helps the Institute gain useful advance information about the potential partners prior to signing of contracts and that includes indications on potential

challenges or specific areas where the partner would need capacity enhancements. Partner due diligence should be carried out prior to signing of partner agreements and be duly documented as part of the partner recruitment process. The project proposal approval process should also include some risk assessment review of the proposed partner. The risk assessment may be based on information already available within ILRI e.g. from the data repository of previous engagements and other information gathered by the PIs/OPL involved.

Recommendation No. 4	Responsible Officer	Management Comments & Target Date
<p>Partner due diligence should be carried out prior to signing of partner agreements and be duly documented as part of the recruitment process</p> <p><b>Risk Level - High</b> <b>Priority Ranking -1</b></p>	BDU through OCS	<p><b>ADG;</b> The due diligence process to be reviewed to match with the Consortium requirements. Partner due diligence to be included in the proposal development workflow as part of compliance requirements -templates for these to be put together by IP legal.</p> <p><b>Tom;</b> Due recognition to be had for sensitivities of the respective partnerships at ILRI as some critical partners may not be open to such external reviews.</p>

#### Aging analysis on partners balances as at 31<sup>st</sup> May 2014

19. The partners aging balances show some closed projects that still carry old un-accounted for balances – both debit and credit. As at 30 June 2014, ILRI had 204 partners, 14 of which are CGIAR members. The aging of partners' balances as at this date (with comparative figures as at 30June 2013) was as follows, per report issued by the Budget and Grants Unit;

	Over-180 days	150-180 days	121-150 days	91-120 days	61-90 days	31-60 days	0-30 days	Total
	Percentages							
June 2013	97%	1%	18%	21%	2%	-16%	-23%	100%

June 2014	15%	50%	7%	4%	30%	10%	-15%	100%
	<b>Amounts ('000' USD)</b>							
June 2013	3,231	48	603	699	52	(546)	(768)	3,319.00
June 2014	616.39	2,107.32	303.68	169.06	1,250.52	404.36	(641.01)	4,210.32

The above balances include an amount of USD 397,931.80 for seven grants with balances that have remained dormant since January 2013 – See Annex IV.

20. Delays in partner reporting/or accounting could indicate partner capacity constraints. The individual root causes of the delays in accounting by the concerned partners should be highlighted and the relevant PMOs to make prompt follow-up through the contact persons provided by the partners.

<b>Recommendation No.5</b>	<b>Responsible Officer</b>	<b>Management Comments &amp; Target Date</b>
<p>The individual root causes of the delays in accounting by the concerned partners should be promptly investigated and the relevant PMOs to make prompt follow-up through the contact persons provided by the partners.</p> <p><b>Risk Level - High</b> <b>Priority Ranking -1</b></p>	B&FM	<p>Part of the problem is failure to have a decent system that can remind PMO's and Finance when partner accounts are due. We expect much improvement after implementation of OCS.</p>
<b>Recommendation No. 6</b>		
<p>Follow-up with relevant PMOs and management decision should be made regarding the recoverability of the noted dormant partner accounts with unaccounted for balances</p> <p><b>Risk Level - High</b> <b>Priority Ranking -2</b></p>	COO/B&FM	<p>If there is outstanding advance, then no more advance will be payable until the earlier one is cleared/or explained. This has been effected since January 2013 by Budget &amp; Finance unit as can be seen by reduced outstanding balance in June 2014 as per table above. <b>COO</b> Finance has been following up through</p>

		monthly management reports. In addition, future transfers to the concerned partners have been limited to work done or reimbursement basis. management has also reduced initial transfers made to partners to reduce chances of failure to account. <b>B&amp;FM</b>
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### Monitoring and evaluation

21. Monitoring and evaluation processes would enable the Institute to promptly identify and redress any issues or emergent risks during the project execution. Accomplishment of the set work plans, budget utilisation, continuous realisation of expected outputs, and deviations from the plan can all recorded and assessed in light of the established goals so as to inform the decision to either stay the course or to make changes. Records of this monitoring and evaluation processes would be a good source of learning for both the concerned Program and for the Institute as a whole. During this audit review, the only records that were available to show monitoring and evaluation done for on-going partnerships was the technical and financial reports received from the partners. The Financial reports are received and tracked by the PMOs (with the support of the Program Accountants) while the Technical reports are monitored by the principal investigators (PIs).

22. The PMOs indicated that monitoring and evaluation for technical deliverables including the technical reports is done by the PIs often with little or no involvement of the rest of the program support staff. The latter maintain liaison with the partners on a continuous basis and also conduct monitoring visits to the partner sites. Trip reports were however not available.

23. Monitoring of the partners' report delivery dates has also not been formalized e.g. through a uniform record and continuous tracking and it for example takes substantial time for the PMO and the Program Accountants to avail a status report on respective reports required from the partners working under their program. The PMOs should maintain comprehensive, up to-date records of their tracking for the required partner reports as well as other monitoring activities e.g. trip reports for visits done to the partner sites

Recommendation No. 7	Responsible Officer	Management Comments & Target Date
PMOs should maintain comprehensive, up to-date records of their tracking for the required partner reports as well as other monitoring activities e.g. trip	ADG	ADG; The records on the M&E to be included in the proposed project management system. Trip reports to be made more valuable by

reports for visits done to the partner sites		<p>maintaining them in electronic form accessible by relevant ILRI users, to ensure compliance.</p> <p>Trip report details to be used in updating partners database including records of new contacts met during field trips/partner site visits</p> <p><b>Tom;</b> Employ other easy monitoring tools such as 'health checks' during partner meetings</p>
<p><b>Risk Level - Medium</b></p> <p><b>Priority Ranking -1</b></p>		

## ANNEX I: AUDIT OF MANAGEMENT OF RESEARCH PARTNERSHIPS AT ILRI

### **AUDIT TERMS OF REFERENCE**

#### Introduction

1. As part of the 2014 audit plan, the internal audit unit will conduct an audit of management of research partnership which will involve review of partnership relations with the Institute's partners and partnership agreements for the period from January 2013 to March 2014 and the related systems and processes used to manage the partnership.

2. The ILRI new Strategy for the period 2013-2022 stresses the need for enhancement of partnerships in the Institute's research work.

The strategy document states, "*As a relatively small institute with a large global mandate, partnership remains the institute's fundamental modus operandi. The new strategic plan, however, requires that the range of partners that ILRI works with is increased. Previously the focus was on generating research outputs, primarily through partnerships with national agricultural research systems, sub-regional organizations and advanced research institutions. This strategy, which takes more responsibility for translating research outputs into outcomes and impacts, demands that ILRI reaches out to and engages with a broader range of partners, especially development organizations and the private sector. Specifically, to achieve its objective of persuading decision-makers at all levels—from farmers to parliamentarians—of the value of livestock investments, ILRI needs to partner with public, civil society and private sector organizations with expertise in communication, advocacy and policy change processes. This includes more proactive engagement with national, regional and international print and electronic media*".

3. Research partnerships between Centers and other institutions can take many forms and could involve transfers of human and financial resources and intellectual property from Centers to partners and vice versa, or mutual exchanges of such resources e.g.

- ongoing exchanges of information and coordination of activities;
- data sharing and publication of research outputs for end-user uptake and benefit;
- staff exchanges, secondments and co-location for joint research;
- joint research and co-publication of results;
- provision of proprietary technology;
- provision of specialized services such as laboratory analysis;
- access to germplasm;
- sub-contracting of research; and
- accessing policy makers e.g. government agencies

4. In some cases the genesis and continuing flourishing of such partnerships lies in personal relationships of scientists in the Center and partner institutions. In other cases the partnerships derive from long standing institutional-level relationships, or from new relationships established as a result of funding opportunities provided by donors. Regardless of how the partnerships are established, Center and partner staff's often indicate the importance of relationships at the personal level, and the personal trust developed through them, for effective and sustained collaboration.
5. However, in a world increasingly concerned with accountability, liability and management of intellectual property, there is also a need to ensure that the expectations, obligations and limits of partnerships are well defined on an ex ante basis. There is also increasing interest, given the long stated promotion of partnerships as the preferred modus operandi for the CGIAR Centers, in measuring their extent and evaluating their results. This implies that Centers maintain systems and databases for this purpose.
6. ILRI works in partnership and alliance with other organizations, national and international, in the field of livestock research, training, and information exchange. For ILRI to accomplish its goal, partners and appropriate partnerships play a critical role. This should serve as a basis not only for delivering current outputs, but also as a launching pad and hunting ground for future partners through capacity strengthening.
7. Personalities and interactions between individuals are key factors in building and maintaining successful partnerships. Interactions will be more effective if they are aligned with and supported by institutional strategies and management capacities. The three nested levels of partnerships (Project, Institutional and Strategic) provide a pragmatic framework for developing relevant mechanisms and creating an institutional culture of conscious and proactive partnership management. Key elements include; formulating partnership strategies, developing management practices and tools and recognizing responsibilities for partnership management, including evaluation and learning. Currently, the ILRI 2008 Partnerships Strategy (<http://mahider.ilri.org/handle/10568/566>) provides relevant principles to guide ILRI's management of partnerships.



### Audit Objectives

8. The objective of the audit is to;

- assess research partnerships are developed and implemented in the context of an overall ILRI's strategy for partnerships, part of or aligned with, the new ILRI Strategic Plan for the period 2013 to 2022;
- ascertain ILRI's policies and procedures with regard to the management of research partnerships are documented and readily available to staff;
- ascertain that the research partnership agreements are reviewed and approved by authorized persons as identified in the ILRI's official delegations of authority;
- assess there is central tracking of all research partnerships, according to a consistent typology, to support analysis and reports of partnerships (global tracking e.g. of financial reports);
- assess implementation of the management actions from the previous audit report; and
- identify areas of improvement on the current ILRI Partnerships strategy document and its application.

### Audit scope

9. The scope of the audit will include:

#### *(a) Control environment*

- Where multiple partnerships with an institution are envisaged, there is an umbrella agreement with the institution which sets out the common principles that will apply to all such partnerships, so that these do not have to be negotiated each time a partnership is established;
- The selection of partners to whom financial resources will be provided in the form of sub-grants, and who are not otherwise selected through competitive grant processes or similar, are justified in terms of the criteria for direct contracting CGIAR Procurement Guidelines;
- Partnerships which involve specific commitments of time or funds for one or both parties should be clearly defined and scoped and the responsibilities and deliverables of each partner are clearly documented in the form of an agreement (e.g. Letter of Agreement, Memorandum of Understanding, Collaborative Research Agreements) and terms of reference/statement of work;
- Centers have templates for various types of partnership agreements which have been vetted by financial, legal and IP experts. Variations to the templates are subject to review by these experts;
- The Center has a process of confirming that new partner institutions with which it is contracting have appropriate legal status to enter into agreements and that the appropriate level of management in the institution is approving and signing the partnership agreements;
- Where funds flow from Center to a partner, partnership agreements clearly document the budget, the basis and mechanisms for disbursement of funds by the Center (disbursement timetable, project milestones, replenishment requests or invoicing, extent to which funds will be advanced) and the financial accounting and reporting requirements of the partner (format of reports, timetables, level of supporting documentation required for reports, right of access to detailed accounting records if necessary, financial audit requirements);



- Where funds are provided to partners for acquisition of assets, the ownership of the assets and their ultimate disposition at the end of the partnership activity are defined in the partnership agreement;
- Where funds are provided to partners for purchases of assets, consumables and services, the procurement principles and any specific limitations such as class of travel, per diems or class of vehicles (e.g. the partner institution policies, the Center policies, donor policies) are defined;
- Where Centers procure assets, consumables or services on behalf of a partner under a partnership agreement, the compatibility of the arrangement with the Center's host country privileges, immunities and obligations is assessed beforehand;
- Where the staffing of the collaborative team to be provided by a partner is a critical element of the partnership, the required staffing and criteria to be applied to replacement staff where this becomes required are covered in the partnership agreement;
- Where partnerships provide for payments of, or supplements to, the salaries of partner staff, these are covered in the agreement with the partner institution and (where the staff concerned are civil servants) is subject to warranty from the institution that such arrangements conform to prevailing civil service or government regulations;
- Agreements with partners for joint research collaboration clearly document the intellectual assets to be contributed to the collaboration (background and pre-existing art); the rights/ownership over intellectual assets produced during the partnership; format and disposition of and access to raw and other data produced; publication rights and clearances; and any rights to audit of IP if necessary;
- Research collaboration agreements convey mutual understandings in terms of research ethics to be adhered to, especially where the research involved human or animal subjects;
- Responsibilities and expectations for insurance and for non-liability are included in the partnership agreements;
- The period of the partnership, whether subject to automatic renewal or not, and the conditions under which the partnership may be ended earlier, are documented in the agreement; and
- The partnership agreement contains provisions for modification and dispute resolution;

(b) *Risk assessment*

- New partnerships are subject to an opportunity/risk analysis in terms of the expected benefits, compatibility of the partnership with the Center mission, capacity of partners to deliver on their commitments, any reputational issues for the Center, obligations on the Center to commit staff time and financial resources, and risk mitigations/contingencies;

(c) *Control Activities*

- The selection of partners to whom financial resources will be provided in the form of sub-grants, and who are not otherwise selected through competitive grant processes or similar, are justified in terms of the criteria for direct contracting CGIAR Procurement Guidelines;
- Maintaining of partnership profile and continuous updating;
- Maintaining of knowledge management system; and
- Periodical interaction with the partner organization to keep abreast of any ongoing or planned activities.

(d) *Monitoring*

- There is an internal process within the Center, at the end of partnership activities, or at established intervals in the case of long term partnerships, to evaluate the partnerships for the purpose of learning and institutional memory. This may be part of an overall M&E process for the project which is supported by the partnership; and
- Where funds provided to partners come from donor grants to the Center, there is an internal review process to ensure that the reporting and accounting requirements of the donor to the Center are appropriately reflected in the sub-grant agreements between the Center and recipient partners;

*(e) Information and Communications*

- Management of internal communication processes
- Management of external communication processes

10. In order to achieve the objectives of the audit, we will interview relevant staff including Institutional Planning and Partnerships department personnel and programs management personnel involved in the management of the research partnerships. We will also review partnership information systems and partnership agreements. The planned audit procedures also include checking of selected partners' reports (both financial and narrative technical reports) and to compare them with the planned activities and time frame.

**Audit administration and Reporting Target Dates**

11. The audit will be conducted by Fredrick Gathogo, Internal Auditor (Nairobi), during the period from 12<sup>th</sup> May 2014 to 12<sup>th</sup> June, 2014 in Nairobi and will be supervised and reviewed by Peter Getugi, the Internal Audit Manager. An exit meeting will be held to discuss results and the outlines of the Action plan at the conclusion of the field work.

13. Working papers will be prepared in conformity with the policies and practice requirements set out in Section I.3 of the CGIAR Internal Audit Manual. The timetable and estimated resource allocation for the audit is as follows:

Audit Phase	Comments	Resources
Planning	<p>This includes completion of a preliminary survey, on which the final terms of reference and audit work plans will be based.</p> <p>The audit ToR will be prepared by the auditor in charge and discussed with the IP &amp;P, DDGs and Project management officers.</p>	3 days

Audit Phase	Comments	Resources
Field Work	On site and desk work to complete the field audit work plan.	12 days
Reporting – preparation of draft report	This includes preparation of findings and recommendations and quality assurance review.	4 days
Reporting – final report	This includes processing of comments by ILRI on circulated draft report, and finalization of the report for submission to the DG.	2 days

### Audit Reporting

14. The report shall comprise of:

- A transmittal memorandum
- a report which includes an introduction, overall conclusions and details of findings and recommendations;
- Annexes as appropriate.

15. The results of the audit will be discussed with the Director IP&P (subsequently a draft report will be circulated to them for comments and advice of proposed actions/timing to address any recommendations.

16. Reporting target dates are as follows:

Report	Date
Draft report to Director of Institutional Planning & Partnerships	10 June, 2014
Copy furnish:	
<ul style="list-style-type: none"> <li>• ADG/ Director Institutional Planning &amp; Partnerships</li> <li>• DDG- Integrated sciences</li> <li>• DDG- Biosciences</li> <li>• Chief Operating Officer</li> </ul>	
Final report to the Director General and recipients of Draft Report	22 Aug, 2014

## **Annex II**

### **CGIAR IAU Research Partnerships Good Practices**

12. The audit will also be guided by the Research Partnerships Good Practices as provided by CGIAR IAU listed below;

- Research partnerships are developed and implemented in the context of an overall Center strategy for partnerships, part of or aligned with, the strategic plans of the Centers
- Center policies and procedures with regard to the management of research partnerships are documented and readily available to staff
- The managers within the Center who can approve and sign research partnership agreements are identified in the Center's official delegations of authority
- There is central tracking of all research partnerships by the Center, according to a consistent typology, to support analysis and reports of partnerships
- The applicability of the following components of Center policy and practice will depend on the nature of the research partnership and amount of resources involved:
  - Where multiple partnerships with an institution are envisaged, there is an umbrella agreement with the institution which sets out the common principles that will apply to all such partnerships, so that these do not have to be negotiated each time a partnership is established
  - The selection of partners to whom financial resources will be provided in the form of sub-grants, and who are not otherwise selected through competitive grant processes or similar, are justified in terms of the criteria for direct contracting CGIAR Procurement Guidelines
  - Partnerships which involve specific commitments of time or funds for one or both parties should be clearly defined and scoped and the responsibilities and deliverables of each partner are clearly documented in the form of an agreement (e.g. Letter of Agreement, MoU, exchange of letters) and terms of reference/statement of work
  - Centers have templates for various types of partnership agreements which have been vetted by financial, legal and IP experts. Variations to the templates are subject to review by these experts.
  - The Center has a process of confirming that new partner institutions with which it is contracting have appropriate legal status to enter into agreements and that the appropriate level of management in the institution is approving and signing the partnership agreements
  - New partnerships are subject to an opportunity/risk analysis in terms of the expected benefits, compatibility of the partnership with the Center mission, capacity of partners to deliver on their

commitments, any reputational issues for the Center, obligations on the Center to commit staff time and financial resources, and risk mitigations/contingencies

- Where funds flow from Center to a partner, partnership agreements clearly document the budget, the basis and mechanisms for disbursement of funds by the Center (disbursement timetable, product milestones, replenishment requests or invoicing, extent to which funds will be advanced) and the financial accounting and reporting requirements of the partner (format of reports, timetables, level of supporting documentation required for reports, right of access to detailed accounting records if necessary, financial audit requirements)
- Where funds provided to partners come from donor grants to the Center, there is an internal review process to ensure that the reporting and accounting requirements of the donor to the Center are appropriately reflected in the sub-grant agreements between the Center and recipient partners
- Where funds are provided to partners for acquisition of assets, the ownership of the assets and their ultimate disposition at the end of the partnership activity are defined in the partnership agreement
- Where funds are provided to partners for purchases of assets, consumables and services, the procurement principles and any specific limitations such as class of travel, per diems or class of vehicles (e.g. the partner institution policies, the Center policies, donor policies) are defined.
- Where Centers procure assets, consumables or services on behalf of a partner under a partnership agreement, the compatibility of the arrangement with the Center's host country privileges, immunities and obligations is assessed beforehand.
- Where the staffing of the collaborative team to be provided by a partner is a critical element of the partnership, the required staffing and criteria to be applied to replacement staff where this becomes required are covered in the partnership agreement.
- Where partnerships provide for payments of, or supplements to, the salaries of partner staff, these are covered in the agreement with the partner institution and (where the staff concerned are civil servants) is subject to warranty from the institution that such arrangements conform to prevailing civil service or government regulations.
- Agreements with partners for joint research collaboration clearly document the intellectual assets to be contributed to the collaboration (background and pre-existing art); the rights/ownership over intellectual assets produced during the partnership; format and disposition of and access to raw and other data produced; publication rights and clearances; and any rights to audit of IP if necessary.
- Research collaboration agreements convey mutual understandings in terms of research ethics to be adhered to, especially where the research involved human or animal subjects.
- Responsibilities and expectations for insurance and for non-liability are included in the partnership agreements

- The period of the partnership, whether subject to automatic renewal or not, and the conditions under which the partnership may be ended earlier, are documented in the agreement
- The partnership agreement contains provisions for modification and dispute resolution
- There is an internal process within the Center, at the end of partnership activities, or at established intervals in the case of long term partnerships, to evaluate the partnerships for the purpose of learning and institutional memory. This may be part of an overall M&E process for the project which is supported by the partnership.

### ANNEX III: EXPLANATION OF RISK AND PRIORITY RATINGS

The audit identified certain areas where improvements can be made to the operations, recommendations for which are given in the detailed report attached. Management has agreed on an action plan to address the recommendations. The level of risk related to each recommendation is calculated by deciding on the relationship between the **likelihood** (in this case, probability of the recommendation not being implemented) and the **consequences** (the impact of the recommendation if not implemented). Looking at these two aspects together (consequences x likelihood) results in a composite level of risk of each recommendation. *The explanations for the ratings used are as follows:*

#### **Risk Impact (H, M, L)**

**High** – failure has the potential to **significantly damage** or destroy the effective functioning of the Program or its future viability particularly through loss of significant donors confidence or major financial / reputation loss or significant employee health and safety hazards.

**Medium** – failure has the potential to **damage important aspects** of the Program's functions or future viability, which would require significant management effort and time to recover.

**Limited** – failure has the potential to **damage particular aspects** of the Program's functions, drawing on significant management effort if an adverse event occurred, but not expected to damage the overall medium-long term operations of the Program.

#### **Risk Likelihood (H, M, L)**

**High** – The risk mitigating actions taken by the Program – in terms of (i) avoidance of certain activities, (ii) controls (such as policies, procedures, clarity of responsibilities, training, management monitoring and information), and/or (iii) insurance arrangements – are not considered sufficient or controls are not yet operating effectively, and the probability of occurrence of adverse events for the Program is therefore considered high (>50% probability i.e. more likely than not) over the short-medium term.

**Medium** – The risk mitigating actions taken by the Program are partial and there are further opportunities in terms of action the Program should take, or are planned but not yet fully implemented. As a result probability of occurrence of adverse events for the Program is therefore considered Medium (25%-50% probability) over the short-medium term.

**Low** – The risk mitigating actions taken by the Program are sufficiently designed and operating effectively to reasonably protect the Program against foreseen adverse events.

To facilitate the implementation of the recommendations, the IAU has ranked these based on priority for implementation. The definitions of priority are as follows:



o *Priority 1 recommendations* should be actioned within three months of the release of the audit report. These recommendations meet one the following criteria:

- pertains to high-risk, serious or materially significant audit finding;
- control weakness; due to the seriousness or significance of the matter, immediate attention and appropriate corrective action is warranted; or
- can be implemented easily.

o *Priority 2 recommendations* should (a) be completed, (b) have achieved significant progress, or (c) have a schedule for completion within six months of the release of the audit report. Although implementation of these recommendations has already begun or should begin upon the release of the management audit report, significant implementation or measurement of the results may take up to 6 months. These are recommendations relating to low risk findings that could evolve to higher risk if not addressed over a reasonable period.

o *Priority 3 recommendations* require long term process changes. While these recommendations address serious issues concerning the Institute operations identified in this report, Priority 3 recommendations are either long-term goals or are dependent upon the implementation of Priority 1 and 2 recommendations. The Program should be prepared to report the initial steps taken to implement priority 3 recommendations during a one-year management audit update.

**Rating scales:**

**Satisfactory** – the related risks being reviewed under this audit objective are adequately mitigated, and/or residual risks are accepted by center management and considered reasonable by internal audit. There may be further opportunities for improvement identified but these are not considered critical to the achievement of the objective.

**Partially Satisfactory** – the related risks being reviewed under this audit objective are partially mitigated but not to a level acceptable to center management or considered reasonable by internal audit.

**Unsatisfactory** – there are significant or pervasive deficiencies in the management of the related risks being reviewed under this audit objective.



**Annex IV**

**Dormant Partner account balances as at 31 May 2014**

Cost Centre	T3	T0	Partner Name	b/f Jan 2013	b/f Jan 2014	2014/001	2014/002	2014/003	2014/004	2014/005	TOTAL	
IS03	CG7050	EBC01	Eastern Broadcasting Corporation	3,690	3,690	0	0	0	0	0	3,690	Account has no transactions since 06/08/2012
IS03	CG7050	IIT01	International Institute of Tropical Agriculture	12,406	12,406	0	0	0	0	0	12,406	Account has no transactions since 24/10/2012
IS03	CG7050	NAR03	National Agricultural Research	18,000	18,000	0	0	0	0	0	18,000	Account has no transactions since 18/05/2012
IS03	CG7050	NARL	National Agricultural Research Laboratories Kawanda	3,557	3,557	0	0	0	0	0	3,557	Account has no transactions since 05/09/2012
IS03	CG7050	NONE	NOT APPLICABLE	52,165.55	52,165.55	0	0	0	0	0	52,165.55	Account has no transactions since 11/12/2012
IS03	CG7050	SUA07	Sokoine University	17,000	17,000	0	0	0	0	0	17,000	Account has no transactions since 07/05/2012
IS03	CG7060	ACM01	African centre for Meteorology	35	35	0	0	0	0	0	35	Account has no transactions since 10/12/2012
IS03	CG7060	BAC01	Bureau for Agriculture Consultancy & Advisory	(22,548.75)	(22,548.75)	0	0	0	0	0	(22,548.75)	Account has no transactions since 24/10/2012
IS03	CG7060	BAC02	Bureau for Agriculture Consultancy & Advisory	30,065	30,065	0	0	0	0	0	30,065	Account has no transactions since 30/04/2012
IS03	CG7060	CIP01	International Potato Centre	7,344	7,344	0	0	0	0	0	7,344	Account has no transactions since 24/10/2012
IS03	CG7060	CIP03	International Potato Centre	63,031	63,031	0	0	0	0	0	63,031	Account has no transactions since 10/12/2012
IS03	CG7060	COU01	Trustee of Columbia University	30,000	30,000	0	0	0	0	0	30,000	Account has no transactions since 14/06/2012
IS03	CG7060	EAF01	Eastern Africa Farmers Federation	12,564	12,564	0	0	0	0	0	12,564	Account has no transactions since 24/10/2012
IS03	CG7060	EAI02	EcoAgriculture International	4,000	4,000	0	0	0	0	0	4,000	Account has no transactions since 24/10/2012
IS03	CG7060	FAO01	Food & Agricultural Organization	(123,871)	(123,871)	0	0	0	0	0	(123,871)	Account has no transactions since 10/12/2012
IS03	CG7060	ICR01	International Crop Research Institute Sem Arid	23,483.38	23,483.38	0	0	0	0	0	23,483.38	Account has no transactions since 14/06/2012
IS03	CG7060	ICR05	International Centre for Research in Agroforestry	18,150	18,150	0	0	0	0	0	18,150	Account has no transactions since 24/10/2012

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Cost Centre	T3	T0	Partner Name	b/f Jan 2013	b/f Jan 2014	2014/001	2014/002	2014/003	2014/004	2014/005	TOTAL	
IS03	CG7060	IGE01	Intergrative graduate education	35,000	35,000	0	0	0	0	0	35,000	Account has no transactions since 30/04/2012
IS03	CG7060	IPG01	International Plant Genetic Research Institute	10,000	10,000	0	0	0	0	0	10,000	Account has no transactions since 24/10/2012
IS03	CG7060	IRA02	Institute of Resource Assessment	50,000	50,000	0	0	0	0	0	50,000	Account has no transactions since 14/06/2012
IS03	CG7060	MLR01	Macaulay Land Research Institute	11,000	11,000	0	0	0	0	0	11,000	Account has no transactions since 30/04/2012
IS03	CG7060	NAR01	National Agricultural Research Organization	30,745.31	30,745.31	0	0	0	0	0	30,745.31	Account has no transactions since 30/12/2012
IS03	CG7060	NMA01	National Meteorology Agency	25,000	25,000	0	0	0	0	0	25,000	Account has no transactions since 10/12/2012
IS03	CG7060	NZR01	Northern Zone Agricultural Research	10,230.7	10,230.7	0	0	0	0	0	10,230.7	Account has no transactions since 24/10/2012
IS03	CG7060	NZR02	Northern Zone Agricultural Research	27,173.6	27,173.6	0	0	0	0	0	27,173.6	Account has no transactions since 30/04/2012
IS03	CG7060	SRI02	Selian Agricultural Research Institute	7,261.88	7,261.88	0	0	0	0	0	7,261.88	dormant
IS03	CG7060	UOQ01	University of Queensland	3,842.18	3,842.18	0	0	0	0	0	3,842.18	dormant
BS01	CS1002	AUI03	Addis Ababa University, Ethiopia	(34,782)	(34,782)	0	0	0	0	0	(34,782)	dormant
IS02	IDR016	DOL01	Department of livestock and fisheries, ministry of agriculture and forestry, dlf-maf	15,024.4	15,024.4	0	0	0	0	0	15,024.4	Account has no transactions since 11/12/2012
IS01	IFA022	CHI0	Central Himalayan Rural Action Group ( CHIRAG)	4,334.47	4,334.47	0	0	0	0	0	4,334.47	dormant
IS01	IFA022	INER	Institute of Himalayan Environment Research and Education (INHERE)	8,864	8,864	0	0	0	0	0	8,864	dormant
IS01	IFA022	INHO	Institute of Himalayan Environment Research and Education (INHERE)	(628.14)	(628.14)	0	0	0	0	0	(628.14)	dormant
IS01	IRR003	CSIR	Council for Scientific & Industr	3,200	3,200	0	0	0	0	0	3,200	dormant
IS01	IRR003	FWN01	FORWARD Nepal-IRR003	17,423.22	17,423.22	0	0	0	0	0	17,423.22	Account has no transactions since 08/05/2012
BS05	SID001	ACF01	Adilo complimentary food production unit	3,116	3,116	0	0	0	0	0	3,116	dormant

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Cost Centre	T3	T0	Partner Name	b/f Jan 2013	b/f Jan 2014	2014/ 001	2014/ 002	2014/ 003	2014/ 004	2014/ 005	TOTAL	
BS01	SWE010	EIA05	Ethiopian Institute of Agricultural Research, Ethiopia	5,700	5,700	0	0	0	0	0	5,700	dormant
BS01	SWE010	EIA06	Ethiopian Institute of Agricultural Research, Ethiopia	8,750	8,750	0	0	0	0	0	8,750	dormant
IS04	UOC001	EDI1	Economics Dev. Initiatives	7,605	7,605	0	0	0	0	0	7,605	dormant
			<b>TOTAL</b>	<b>397,931.8</b>	<b>397,931.8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>397,931.8</b>	

**Annex V**

**Risks impacting Research Partnerships**

Unit/Activity objective	Risks	Risk Owner(s)	Likelihood	Impact	Risk Value	Existing Preventive and Mitigating Controls	Control Gap	Recommendations
1. Project Implementation	Under-performance in project implementation in terms of timeliness and quality of deliverables, achieving outcomes, and expending against budget	DDGs/ADG	M	H	H	Effective and accurate development of project plans and budgets using new decision tree and proposal development guideline.  Ensure proper due diligence in partner recruitment	Poor planning for outcomes.	Implement new Research Management System tools and OCS tool, including time tracking. Identify supplementary project management software.
						Explicit development of output-outcome logic	Lack of project management and staff time tracking tools.	
						Recognize that there are occasions upon which we should say 'No' to new projects		
2. Partnership management	Lack of proper partnership management and inadequate partner/collaborators accountability leading to poor accomplishment of objectives and loss of funds.	Directors, Research Managers and Program Management Officers. Budget and Grants Manager.	L	H	H	Full reorientation of approach through full implementation of "ILRI's Partnership Strategy and Management Systems". Sensitization of donors on unacceptable risks.	Changes in partners' internal management or control processes.	Prime responsibility must be exercised by the research staff who works directly with and through partners. B&G manager to provide reports of overdue

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Unit/Activity objective	Risks	Risk Owner(s)	Likelihood	Impact	Risk Value	Existing Preventive and Mitigating Controls	Control Gap	Recommendations
3. Grant Reporting	Incorrect/ untimely financial reporting to donors and management especially in light of shortcoming in capturing commitments.	Budget and Finance Manager. PMO's.	L	H	M	Implementation of strong grant management processes and commitments embedded within OCS - to be implemented Q3, 2014.	Implementation of grant management system delayed by reliance on "first wave" CG Centers.	Develop and implement OCS in partnership with other CG Centers so that standardised, best practice grant management processes are implemented.
4. PI compliance to good Science practices adopted by ILRI	ILRI non-compliance to donor agreements on safe / good practices of Science. ILRI non-compliance on legal research permit agreements	DDGs/EOHS	M	H	H	ILRI has introduced a research compliance form for all projects which helps identify the various compliance requirements. The form is completed by all research proposals at ILRI.	Not all projects have completed the research compliance form.	Completing of the research compliance form to become a requirements for implementing any project at ILRI. Once the OCS is functional this to be included so that EOHS can easily be flagged of any upcoming projects.

Unit/Activity objective	Risks	Risk Owner(s)	Likelihood	Impact	Risk Value	Existing Preventive and Mitigating Controls	Control Gap	Recommendations
5. IP/Intellectual assets	Infringement of Partner IP or Third party IP or breach of confidentiality	IMC	M	H	M	PIs generally know if technology to be used is proprietary and therefore requires a license from private partner; Generally research work is exempted from liability of infringement (but not if the goal is to develop a commercial product ).	Freedom to operate analysis can be sourced	Continued liaising with and advise from the IP/Legal Office for projects that intend to deploy commercial products; signing of non-disclosure agreements and PI taking lead in ensuring confidentiality is observed by the research team
6. IP/Intellectual assets	Mistrust between ILRI and partners/ collaborators arising from undefined IP ownership/access issues	IMC	H	M	M	Agreements that address how IP, authorship, acknowledgement issues will be handled.	Templates and review by the IP/Legal Unit	Continue use of agreement templates or template clauses for agreements originating from partner institutions